

ANALYSIS OF FACTORS AFFECTING CASH HOLDINGS (A STUDY ON A BUILDING CONSTRUCTION COMPANY LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE 2014-2018 PERIOD)

Atang Hermawan 1) Endra Herdiansyah 2) Devia Octavianti 3)

1,2,3) Faculty of Economics and Business, Universitas Pasundan, Indonesia,

Email : hermawan.atang65@gmail.com

Abstract

This study aims to provide an overview of how the cash conversion cycle, net working capital, growth opportunity, institutional ownership, independent board of commissioners, and cash holdings in building construction companies listed on the Indonesia Stock Exchange for the period 2014-2018. As well as knowing the effect of cash conversion cycle, net working capital, growth opportunity, institutional ownership, and independent board of commissioners on cash holdings, either partially or simultaneously. The research method used is descriptive method and verification method. The population of this study are 19 building construction companies listed on the Indonesia Stock Exchange for the period 2014-2018. The sampling technique was carried out by purposive sampling method which resulted in 7 companies that met the criteria. The data analysis method of this research is multiple linear regression analysis, classical assumption test, correlation analysis, and coefficient of determination. While the hypothesis testing used is the statistical method of partial test (t test) and simultaneous test (F test) using IBM SPSS 25. The results show that partially cash conversion cycle, net working capital, growth opportunity, and institutional ownership have an effect on cash holdings. . Meanwhile, the independent board of commissioners partially has no effect on cash holdings.

Keywords : Cash Conversion Cycle, Net Working Capital, Growth Opportunity, Institutional Ownership, Independent Board of Commissioners, Cash Holdings

INTRODUCTION

The company is an institution that has the aim of making a profit, so that it can increase the value of the company and the welfare of its owners and employees. The increasingly fierce competition in the business world requires companies to have accuracy in managing company finances, one of which is cash management in determining the optimal amount of cash inventory for the company.

Cash is an important component for the sustainability of a company's business, because with cash the company can fulfill financial obligations on time and can be used as an investment medium to generate profits. For example, the obligation to pay debts to suppliers of goods (suppliers), the obligation to pay salaries and wages of workers so as not to cause losses for the company that resulted in bankruptcy (Agus Sartono, 2012: 415).

Cash holdings in the company's storage are cash that will be used for the purposes of the company's operational activities such as to purchase supplies for the company's inventory, to pay off company debts and also for other company activities. The cash inventory in the company can be in the form of cash that is in the company's storage and it can also be company money that is stored in the bank by the company which can be disbursed by the company if it needs the cash (Mhd. Septa Andika, 2017).

The level of cash holdings must be accurately estimated by the company so that the company's operational funding needs can be met. Determining the company's cash holding level is one of the important financial decisions that must be taken by a financial manager. When the company receives cash inflows, managers must make a decision whether to distribute dividends to shareholders, repurchase shares, invest or keep them for the benefit of the company in the future (Marfuah and Zuhlilmi, 2014).

There is a negative side to holding too much cash (excess cash), namely the loss of opportunity to earn profits because cash is idle (idle cash) so that it does not provide income if it is saved and of course it can be reduced due to the influence of taxation (William and Fauzi, 2013).

One of the important roles to carry out cash holdings for companies is faced with the phenomenon that occurs, where the current financial condition of construction is quite weak, especially for construction SOEs caused by infrastructure development or projects from the government that are currently being carried out. This construction sector usually stores their assets in the form of non-current assets or physical assets, so that if the company needs funds suddenly and urgently, for example for investment, but the amount of cash it has is insufficient. In this way, the company may miss out on great investment opportunities that might increase the value of the company. This research is a development research from two previous studies conducted by Mawardi and Nurhalis (2018), William and Syarief Fauzi (2013) Mining Sector Companies listed on the Indonesia Stock Exchange for the period 2009-2011.

The problem formulation of this research is how the Cash Conversion Cycle, Net Working Capital, Growth Opportunity, Institutional Ownership, Independent Board of Commissioners, Cash Holdings in Building Construction Companies listed on the Indonesia Stock Exchange for the period 2014-2018. How big is the influence of Cash Conversion Cycle, Net Working Capital, Growth Opportunity, Institutional Ownership, and Independent Board of Commissioners on Cash Holdings in Building Construction Companies listed on the Indonesia Stock Exchange for the period 2014-2018.

LITERATURE REVIEW

Cash conversion cycle. Syarif and Wilujeng (2009) in Wahyu (2017) state that the cash conversion cycle shows how fast the company produces its products, from paying inventory costs to collecting cash from consumers in the form of payments for finished products. As a result, the company's internal funding needs to pay for the company's raw material needs are getting bigger, causing the company to have larger cash holdings. The results of research conducted by Mhd. Septa Andika (2017) shows that the cash conversion cycle has an effect on cash holdings. Meanwhile, the results of research conducted by Sheryl Yuliana Senjaya and I Ketut Yadnyana (2016) and Suherman (2017) show that the cash conversion cycle has no effect on cash holdings. In theory, the shorter the cash conversion cycle required, the better for the company because the company will get cash as income in a faster time. Conversely, the longer the cash conversion cycle required, the company will increase cash holding to maintain the company's funding needs (Endah and Mia, 2019).

This statement is in accordance with the results of research conducted by Endah and Mia (2019) which states that the cash conversion cycle has an effect on cash holding. The results of this study are also in line with the research of Marfuah and Zuhlilmi (2015) which states that the cash conversion cycle has an effect on cash holding.

Gede, et al (2017) state that the cash conversion cycle has an effect on cash holdings. The researcher stated that the insignificant result obtained was because the smaller the company's cash conversion cycle, it would not necessarily increase the company's cash holdings.

H1: "There is an effect of the Cash Conversion Cycle on Cash Holdings"

Net Working Capital refers to the understanding of working capital according to a qualitative concept where net working capital is defined as part of current assets that can actually be used to finance company operations without disturbing the company's liquidity (Riyanto, 2001 in Wahyu, 2017). The results of Suherman's research (2017) show that net working capital has an effect on cash holdings. While the results of research conducted by Mhd. Septa Andika (2017), and Cicilia Citra Liadi and I Ketut Suryanawa (2018) show that net working capital has no effect on cash holdings.

According to William and Fauzi (2013) net working capital has the ability to act as a substitute for the company's cash holding. This is because net working capital is easily converted into cash when the company needs it. Likewise with the statement of Marfuah and Zulhilmi (2015) the company will form cash reserves if it experiences negative net working capital. Ogundipe et.al (2012), net working capital is used as a proxy for investment in current assets that can be used as a substitute for cash, when net working capital is needed it can be liquidated quickly to cover the cash shortage needed by the company. Net working capital can be measured by current assets minus current liabilities. If the net working capital of the company is negative (working capital deficit), the company will create cash reserves (Endah and Mia, 2019).

The results of research by William and Fauzi (2013) stated that net working capital has an effect on cash holdings. This means that net working capital is able to act as a substitute for cash holdings of a company, because of the nature of the ease in its liquidity, net working capital is sometimes needed to maintain the continuity of the company's activities without waiting for sales receipts, so that if the company has a large net working capital it will automatically reduce the balance. their cash. In line with William and Fauzi (2013), research by Marfuah and Zulhilmi (2015) also finds that net working capital has an effect on cash holdings. This means that the high and low net working capital will affect the high cash holding company. Likewise with the research results of Azimah, et al (2014) which show that net working capital has an effect on cash holdings.

H2 : "There is an influence of Net working Capital on Cash Holdings"

Growth Opportunity is an investment opportunity that may be obtained by a company. In accordance with the speculative motive which states that companies hold cash as a tool to meet various needs for investment projects that benefit the company, companies with high investment opportunities will hold large amounts of cash to finance these investment opportunities (Wahyu, 2017). The results of research conducted by Mhd. Septa Andika (2017) and Suherman (2017) show that growth opportunity affects cash holdings. Meanwhile, the results of research conducted by Endah and Mia (2019) showed that growth opportunity had no effect on cash holdings.

The growth rate of each company varies depending on the capital structure of the company. The higher the growth opportunity level of the company, the greater the availability of cash needed by the company. (Gede, et al, 2017).

According to Jinkar (2013) in Azimah, et al (2014) as a precaution, usually companies with large

growth opportunities will hold large enough cash until there is an opportunity to use the cash that has been held to be used on occasions that will provide added value for the company.

This is in accordance with the results of research by Marfuah and Zulhilmi (2015) stating that growth opportunity has an effect on cash holdings. This shows that companies that have high growth opportunities will usually keep this opportunity from being missed, so as a precaution the company will usually create a large enough cash reserve until the opportunity can be executed and add value to the company. Research results Mhd. Septa Andika (2017) also finds that growth opportunity results have an effect on cash holdings.

The results of Gede's research, et al (2017) also found that growth opportunity had an effect on the company's cash holdings. The greater the opportunity for the company to invest in order to increase the company's growth, the company will tend to increase the amount of cash holdings in the company.

H3 : “There is an effect of Growth Opportunity on Cash Holdings”

Institutional ownership will reduce agency problems because institutional shareholders will oversee the company so that management will not harm shareholders (Hesty, 2019). The results of research by Sheryl Yuliana and I Ketut (2016), Mawardi and Nurhalis (2018) show that institutional ownership has no effect on cash holdings.

The existence of institutional investors is considered capable of being an effective monitoring mechanism for the management. Institutional share ownership will provide effective control for company management (Mawardi and Nurhalis, 2018).

The existence of share ownership by other institutions causes an increase in the effectiveness of controlling all decisions taken by the company's management, so that it will reduce the actions of company management that are concerned with personal interests when making decisions on the company's cash holding policy and management will not continuously holding cash that is too large, so that the company's cash holding level remains optimal (Hesti Anita, 2019).

Christiana and Ekawati (2014) state that transparency and institutional ownership are positively related, so it is hoped that with a high level of institutional ownership, the level of cash ownership will be smaller to avoid excess cash holdings.

Mawardi and Nurhalis (2018) state that institutional ownership has an effect on cash holding. This shows that the increase in institutional ownership in the company makes the level of supervision better so that cash holding becomes more effective in its use so as not to make cash holding excessively idle in the company.

Research conducted by Masood and Shah (2014) found that institutional ownership has a significant relationship with cash holdings. Likewise with the results of research conducted by Al Najjar and Clark (2017), which proves that institutional ownership has a significant relationship to cash holdings.

H4: “There is an effect of Institutional Ownership on Cash Holdings”

The board of commissioners is independent, its existence is expected to provide neutrality for the company, to all decisions taken by the board of commissioners in general. The results of Mawardi and Nurhalis (2018) research show that independent commissioners have an effect on cash holdings. Meanwhile, the results of research conducted by Sheryl Yuliana Senjaya and I Ketut Yadnyana (2016) show that independent commissioners have no effect on cash holdings.

The independent board of commissioners has duties and functions in terms of supervision of the company's board of directors. Therefore, the role of independent commissioners in a company is needed to make the company better (Mawardi and Nurhalis, 2018).

The independent board of commissioners in the company also supervises the company's cash holding level to remain optimal, because managers tend to like internal funding, causing the company to keep large amounts of cash continuously (Hesti Anita, 2019).

Mawardi and Nurhalis (2018) found that independent commissioners have an effect on cash holding.

Research conducted by Masood and Shah (2014) found that there is an influence of independent commissioners on cash holdings. Meanwhile, the results of research conducted by Sheikh and Khan (2015), which revealed that board independence (independent board of commissioners) has a significant relationship to cash holdings.

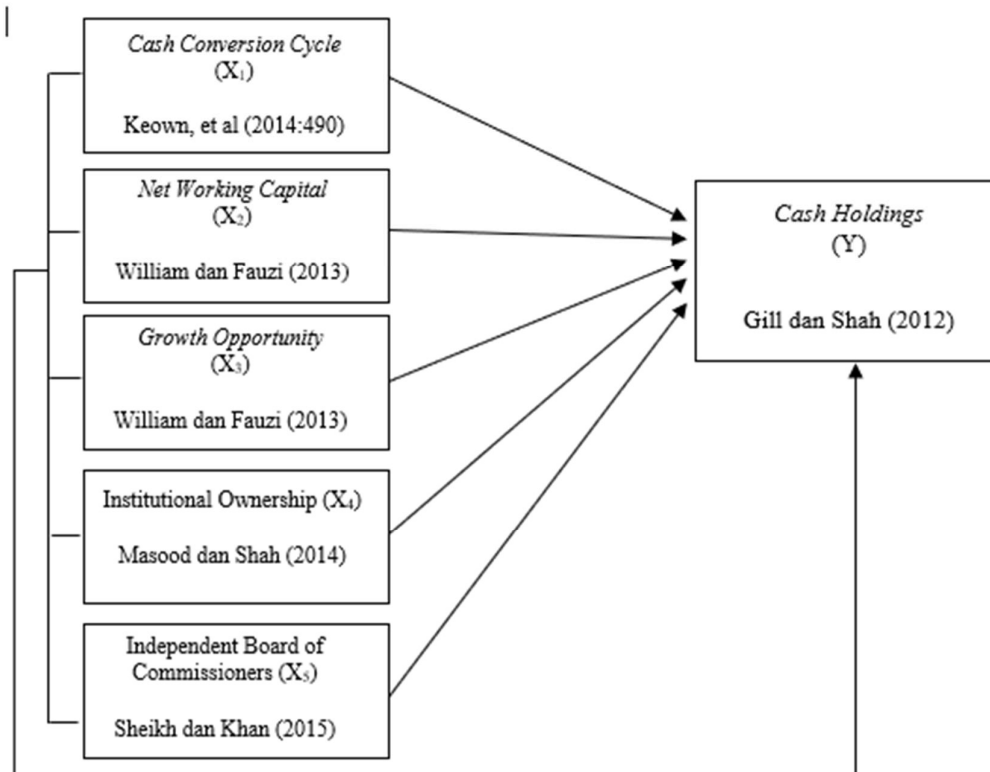
H5: "There is an influence of the Independent Board of Commissioners on Cash Holdings"

METHOD

The research method is a method to provide an overview of the steps that must be taken by researchers in solving a problem to achieve certain goals and make it easier to draw conclusions.

In this study, the author uses quantitative methods with data analysis using descriptive and verification approaches. Descriptive method is used to answer how the Cash Conversion Cycle, Net Working Capital, Growth Opportunity, Institutional Ownership, Independent Board of Commissioners and Cash Holdings are used. The verification approach method is used to determine how much influence the Cash Conversion Cycle, Net Working Capital, Growth Opportunity, Institutional Ownership, Independent Board of Commissioners and Cash Holdings have.

The research model that will be used can be seen in the following picture:



Research Model

Operationalization of Research Variables

Operationalization of variables is needed to determine the types and indicators of the variables used in research.

Variable Operations

No.	Variable	Variable Concept	Indicator	Scale
1	<i>Cash Conversion Cycle</i> (X ₁)	“ <i>Cash Conversion Cycle or CCC is simply the sum of days of sales outstanding and days of sales inventory less days of payables outstandings.</i> ” Keown, et al (2014:488)	$CCC = DSO + DSI - DPO$ <p>Information:</p> <p>DSO : <i>Days of sales outstanding</i></p> <p>DSI : <i>Days of sales in inventory</i></p> <p>DPO : <i>Days of payables outstanding</i></p> <p>Keown, et al (2014:490)</p>	Rasio
2	<i>Net Working Capital</i> (X ₂)	“ <i>Net working capital or net working capital as the difference between current assets and current liabilities</i> ” Syamsuddin (2011:43)	<p style="text-align: center;">Net Working Capital</p> $= \text{Current Asset} - \text{Current Liabilities}$ <p style="text-align: center;">Syamsuddin (2011:43)</p>	Rasio
3	<i>Growth Opportunity</i> (X ₃)	“ <i>Growth opportunity is a combination of the possibility of investment opportunities in the future by utilizing the current assets owned by the company.</i> ” Rendi (2016)	<p style="text-align: center;">Growth Opportunity</p> $= \frac{\text{Total Aset}_t - \text{Total Aset}_{t-1}}{\text{Total Aset}_t} \times 100\%$ <p style="text-align: center;">Rendi (2016)</p>	Rasio

4	Institutional Ownership (X ₅)	<p>“Institutional ownership is ownership of company shares by institutions or entities. Institutional ownership can supervise and control the management through a supervisory process more effectively to protect the interests of stakeholders.” Sheryl dan I Ketut (2016)</p>	$IO = \frac{\text{Number of shares owned by the institution}}{\text{Number of outstanding shares}} \times 100\%$ <p>Information: IO : Institutional Ownership</p> <p>Sheryl dan I Ketut (2016)</p>	Rasio
5	Independent Board of Commissioners (X ₆)	<p>“Independent commissioners are members of the board of commissioners who are appointed based on the resolution of the GMS from parties who are not affiliated with the major shareholders, members of the board of directors and/or other members of the board of commissioners.” Widjaja (2009:79)</p>	$IBC = \frac{\text{Number of independent commissioners}}{\text{Total members of the board of commissioner}} \times 100\%$ <p>Information : IBC : Independent Board of Commissioners</p> <p>Widjaja (2009:82)</p>	Rasio
6	Cash Holdings (Y)	<p>“Cash Holdings as cash that is in the company or exists to be invested in physical assets and to be distributed to investors.”</p>	$\text{Cash Holdings} = \frac{\text{Cash and cash equivalents}}{\text{Total asset} - \text{cash and cash equivalents}} \times 100\%$ <p>Gill dan Shah (2012)</p>	Rasio

		Gill dan Shah (2012)		
--	--	-------------------------	--	--

Research Sample

The sample is 10 companies from 19 companies using purposive sampling based on the following criteria

Building Construction Sub-Sector Companies listed on the Indonesia Stock Exchange in a row for the 2014-2018 period.

Building Construction Sub-Sector Companies listed on the Indonesia Stock Exchange that have information relating to the cash conversion cycle, net working capital, growth opportunity, institutional ownership, independent commissioners and cash holdings in the company's financial statements for the period 2014-2014, respectively 2018.

No	Company Code	Company name
1	ACST	Acset Indonusa Tbk.
2	ADHI	Adhi Karya (Persero) Tbk.
3	DGIK	Nusa Konstruksi Enjiniring Tbk.
4	JKON	Jaya Konstruksi Manggala Pratama Tbk.
5	NRCA	Nusa Raya Cipta Tbk.
6	PTPP	PP (Persero) Tbk.
7	SSIA	Surya Semesta Internusa Tbk.
8	TOTL	Total Bangun Persada Tbk.
9	WIKA	Wijaya Karya (Persero) Tbk.
10	WSKT	Waskita Karya (Persero) Tbk

Sumber : www.idx.co.id

Design of Data Analysis and Hypothesis Testing

Multiple Linear Regression Analysis

Multiple linear regression analysis is a regression that has one dependent variable and two or more independent variables. The multiple regression equation can be formulated as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e$$

Correlation Analysis

This correlation analysis is used to determine the strength of the relationship between the correlation of the two variables and the measure used to determine the degree or strength of the correlation relationship.

The Pearson Product Moment (r) correlation formula is as follows:

$$r_{xy} = \frac{N \sum xy (\sum x)(\sum y)}{\sqrt{\{N \sum x^2 - (\sum x)^2\} \{N \sum Y^2 - (\sum Y)^2\}}}$$

Coefficient of Determination Analysis

The coefficient of determination to determine the magnitude of the influence of the independent variable, can be formulated as follows:

$$KD = R^2 \times 100\%$$

Hypothesis Testing Design

The design hypothesis is as follows:

- $H_01 : \beta_1 = 0$: There is no influence of the Cash Conversion Cycle on Cash Holdings.
 $H_{a1} : \beta_1 \neq 0$: There is an influence of the Cash Conversion Cycle on Cash Holdings.
 $H_02 : \beta_2 = 0$: There is no influence of Net Working Capital on Cash Holdings.
 $H_{a2} : \beta_2 \neq 0$: There is an influence of Net Working Capital on Cash Holdings.
 $H_03 : \beta_3 = 0$: There is no effect of Growth Opportunity on Cash Holdings.
 $H_{a3} : \beta_3 \neq 0$: There is an effect of Growth Opportunity on Cash Holding.
 $H_04 : \beta_4 = 0$: There is no influence of Institutional Ownership on Cash Holdings.
 $H_{a4} : \beta_4 \neq 0$: There is an influence of Institutional Ownership on Cash Holdings.
 $H_05 : \beta_5 = 0$: There is no influence of the Independent Board of Commissioners on Cash Holdings.
 $H_{a5} : \beta_5 \neq 0$: There is an influence of the Independent Board of Commissioners on Cash Holdings.
 $H_0 : (\beta=0)$: There is no influence of Cash Conversion Cycle, Net Working Capital, Growth Opportunity, Institutional Ownership and Independent Board of Commissioners on Cash Holdings.
 $H_a : (\beta \neq 0)$: There is an influence of Cash Conversion Cycle, Net Working Capital, Growth Opportunity, Institutional Ownership and Independent Board of Commissioners on Cash Holdings.

DISCUSSION

Descriptive Statistical Analysis

Based on the results of data processing obtained the average for each variable as follows:

	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic
X_1	-353	80	-28.44	85.094

Mean value is the average value of some data that can be determined by dividing the number of data by the number of data. The average value of the cash conversion cycle for building construction companies listed on the Indonesia Stock Exchange is -28.44.

This could be because the company is able to sell inventory in a short time. In addition, the company is able to collect receivables from customers or receive cash from customers before maturity.

Acset Indonusa Tbk (ACST) has a cash conversion cycle of -353 days, which means the company has the shortest cash conversion cycle during the 2014-2018 period. This proves that Acset Indonusa Tbk (ACST) is able to provide inventory, then sell it, and receive cash from customers (receivables) in a shorter time. The company may implement a good receivable collection system as well as a good marketing or sales system, so that the company can receive cash from receivables and sales in a short time.

This is because the company chooses to slow down inventory turnover and accounts receivable

turnover, so the company takes a long time to sell inventory and collect receivables from customers.

Nusa Construction Engineering Tbk. (DGIK) has a cash conversion cycle of 80 days, which means the company has the longest cash conversion cycle during the 2014-2018 period. This proves that Nusa Construction Engineering Tbk. (DGIK) has a bad receivables collection system and sales system, so cash receipts from receivables and sales take a long time.

Result of Analysis of Cash Conversion Cycle Assessment Criteria

Interval	Criteria
80 – -6.6	Very long
-6.6 – -93.2	Long
-93.2 – -179.8	Currently
-179.8 – -266.4	Short
-266.4 – -353	Very short

Based on table 4.8 the average value of the cash conversion cycle is -28.44, it shows that the level of cash conversion cycle in Building Construction Companies Listed on the Indonesia Stock Exchange for the period 2014-2018 is included in the "Long" criteria because it is in the interval -6.6 - -93.2.

Descriptive Statistics Net Working Capital

	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic
X ₂	70651707981	15303544480000	3025585820433.62	3589302404347.934

Mean value is the average value of some data that can be determined by dividing the number of data by the number of data. The average value of net working capital in building construction companies listed on the Indonesia Stock Exchange is 3,025,585,820,433.62.

This is because the company experienced a fairly high increase in current assets in 2018, although the company's current liabilities increased but the increase was only slightly. So that the company's net working capital in 2018 is very high compared to the company's net working capital in previous years or with the net working capital of other companies.

Wijaya Karya (Persero) Tbk (WIKA) has a very good growth in the company's current assets. During the 2014-2018 period, the company's assets experienced a fairly high increase every year. Although, short-term debt has also increased, but the increase is quite low every year. Thus, the value of the company's net working capital also increases every year.

Results of Analysis of Net Working Capital Appraisal Criteria

Interval	Criteria
70.651.707.981 – 3.117.230.262.384,80	Very low
3.117.230.262.384,80 – 6.163.808.816.788,60	Low
6.163.808.816.788,60 – 9.210.387.371.192,40	Currently
9.210.387.371.192,40 – 12.256.965.925.596,20	Tall
12.256.965.925.596,20 – 15.303.544.480.000.00	Very high

Based on table 4.10 the average net working capital value of 3,025,585,820,433.62 shows that the level of net working capital in Building Construction Companies Listed on the Indonesia Stock Exchange for the 2014-2018 period is included in the "Very Low" criteria because it is in

the 70,651 interval. .707,981 – 3,117,230,262,384.80.

	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic
X ₃	-34.69	58.92	21.3803	15.89126

From the Descriptive Statistics table above, it can be seen that the results of the calculation of growth opportunity in 9 building construction companies listed on the Indonesia Stock Exchange for the period 2014-2018 include:

Mean value is the average value of some data that can be determined by dividing the number of data by the number of data. The average value of growth opportunity in building construction companies listed on the Indonesia Stock Exchange is 21.38 (rounded off from 21,3803).

This is because the company's profit in Q1 2016 fell by 90.42%. The decline in DGIK's performance was caused by the Company's Basic Revenue which experienced a significant decline due to the sluggish construction in the first quarter of 2016.

With the condition of the company experiencing a decline in profits of up to 90.42%, the company's assets also experienced a decline from 2015 to 2016 to 74.24%. Thus, the value of the company's growth opportunity in 2016 is negative.

This is because the company's profit in 2015 soared to 104.68%. The achievement of WSKT performance in 2015 was supported by an increase in the Company's Basic Income by 37.78%. In addition, WSKT's assets soared because the company in July 2015 carried out a Right Issue.

With the condition of the company experiencing an increase in profit of up to 104.68% and the company carrying out a Right Issue, the company's assets have increased. Thus, the value of the company's growth opportunity in 2015 is high.

Results of Analysis of Growth Opportunity Assessment Criteria

Interval	Criteria
-34.69 – -15.968	Very low
-15.968 – 2.724	Low
2.724 – 21.476	Currently
21.476 – 40.198	Tall
40.198 – 58.92	Very high

Based on table 4.11 the average value of growth opportunity is 21.38 (rounded off from 21.3803). This right shows that the level of growth opportunity in Building Construction Companies Listed on the Indonesia Stock Exchange for the period 2014-2018 is included in the "Medium" criteria because it is in the interval 2.724 – 21.476.

Descriptive Statistics of Institutional Ownership

	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic
X ₄	27.95	79.93	58.3750	11.08647

Mean value is the average value of some data that can be determined by dividing the number of data by the number of data. The average value of institutional ownership in building construction companies listed on the Indonesia Stock Exchange is 58.38 (rounded off from

58.3750).

This is because share ownership by institutions has decreased from the number of shares owned by each institution. In addition, it is one institution that did not have shares back in 2017.

This is because Waskita Karya (Persero) Tbk (WSKT) in the 2014-2018 period has good performance prospects. This can be seen because Waskita Karya (Persero) Tbk (WSKT) has worked on various national strategic projects, both toll road infrastructure, light rail transit, and dams, most of which are carried out with turnkey funding schemes. That way, investors (institutions) believe in investing their capital in the company.

Result of Analysis of Institutional Ownership Assessment Criteria

Interval	Criteria
27.95 – 38.346	Very low
38.346 – 48.742	Low
48.742 – 59.138	Currently
59.138 – 69.534	Tall
69.534 – 79.93	Very high

Based on table 4.14 the average value of institutional ownership is 58.38 (rounded off from 58.3750). This shows that the level of institutional ownership in Building Construction Companies Listed on the Indonesia Stock Exchange for the period 2014-2018 is included in the "Medium" criteria because it is in the interval 48,742 – 59,138.

Independent Descriptive Statistics Board of Commissioners

	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic
X ₅	20.00	50.00	33.8677	5.62295

Mean value is the average value of some data that can be determined by dividing the number of data by the number of data. The average value of independent commissioners in building construction companies listed on the Indonesia Stock Exchange is 33.87 (rounded off from 33.8677).

This is because Surya Semesta Internusa Tbk (SSIA) only has 1 independent board of commissioners out of a total of 5 commissioners. That way, the condition of the company's management in terms of supervision becomes less, while the company needs an independent board of commissioners to get supervision from external parties who will be more objective in making decisions.

This is because Nusa Konstruksi Enjiniring Tbk (DGIK) has 2 independent commissioners from the total 4 commissioners. That way, the condition of the company's management in terms of supervision becomes better, so that supervision within the company can be carried out properly because there are external parties who are more objective in making decisions, namely the independent board of commissioners..

Results of the Analysis of the Independent Board of Commissioners' Assessment Criteria

Interval	Criteria
20.00 – 26.00	Very low
26.00 – 32.00	Low
32.00 – 38.00	Currently

38.00 – 44.00	Tall
44.00 – 50.00	Very high

Based on table 4.16 the average value of the independent board of commissioners is 33.87 (rounded off from 33.8677). This shows that the level of independent commissioners at Building Construction Companies Listed on the Indonesia Stock Exchange for the period 2014-2018 is included in the “Medium” criteria because it is in the interval 32.00 – 38.00.

Descriptive Statistics Cash Holdings

	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic
Y	2.20	42.47	18.3992	10.36995

The mean value is the average value of some data that can be determined by dividing the number of data by the number of data. The average value of cash holdings in building construction companies listed on the Indonesia Stock Exchange is 18.40 (rounded off from 18.3992).

This is because Jaya Konstruksi Manggala Pratama Tbk (JKON) experienced a high decline in the company's cash and cash equivalents. In 2018 JKON experienced a decrease in profit of up to 10.8%, because JKON's operating income experienced a slight increase while the company's expenses continued to swell.

Judging from the condition of the company, the revenue only increased slightly and the company's expenses continued to swell, causing the company's cash flow from the operational side to be negative. Thus, the company uses existing cash to meet operational needs until the company's cash and cash equivalents are depleted.

This is because in 2016 Wijaya Karya (Persero) Tbk (WIKA) recorded a fairly good performance. WIKA experienced a profit increase of up to 63.17%, the increase in profit exceeded the set target. It was also because sales increased by 15%, and the company benefited from the sale of land by the company's subsidiary.

With the very good prospect of Wijaya Karya (Persero) Tbk in 2016, the company's cash also experienced a fairly high increase of up to 262.09% from the previous year. That way, the value of the company's cash holdings will be high.

Result of Analysis of Cash Holdings Appraisal Criteria

Interval	Criteria
2.20 – 10.254	Very low
10.254 – 18.308	Low
18.308 – 26.362	Currently
26.362 – 34.416	Tall
34.416 – 42.47	Very high

Based on table 4.18 the average value of cash holdings is 18.40 (rounded off from 18.3992). This shows that the level of cash holdings in Building Construction Companies Listed on the Indonesia Stock Exchange for the period 2014-2018 is included in the "Medium" criteria because it is in the 18,308 – 26,362 interval.

Verification Analysis

Multiple Linear Regression Analysis

Multiple linear regression analysis was used to predict the dependent variables of cash conversion cycle, net working capital, growth opportunity, institutional ownership, and independent board of commissioners with cash holdings.

Multiple Linear Regression Equation

Model		Coefficients ^a		Standardized Coefficients Beta	t	Sig.
		Unstandardized Coefficients B	Std. Error			
1	(Constant)	29.064	9.870		2.945	.005
	Cash Conversion Cycle (X ₁)	.041	.019	.334	2.181	.035
	Net Working Capital (X ₂)	1.139E-12	.000	.394	2.807	.008
	Growth Opportunity (X ₃)	.213	.098	.326	2.162	.037
	Institutional Ownership (X ₄)	-.256	.132	-.274	-1.945	.059
	Independent Board of Commissioners (X ₅)	-.075	.271	-.041	-.278	.782

a. Dependent Variable: Cash Holdings (Y)

Based on the table above, the following multiple linear regression equation is obtained: $Y = 29.064 + 0.041X_1 + 1.139E-12X_2 + 0.213X_3 - 0.256X_4 - 0.075X_5$

Partial Correlation Analysis

The level of closeness of the relationship between the independent variable and the dependent variable, the correlation closeness criteria are used as follows:

Correlation Analysis of Cash Conversion Cycle (X1) against Cash Holdings (Y)

The following are the results of data processing using Pearson Correlation output analysis

Correlation Results (X1) against (Y)

		Cash Conversion Cycle (X1)	Cash Holdings (Y)
Cash Conversion Cycle (X1)	Pearson Correlation	1	.101
	Sig. (2-tailed)		.509
	N	45	45
Cash Holdings (Y)	Pearson Correlation	.101	1
	Sig. (2-tailed)	.509	
	N	45	45

Based on the output table above, it can be seen that the correlation coefficient value obtained between the cash conversion cycle and cash holdings is 1. The correlation value is positive which indicates that the relationship between the independent variable and the dependent variable is unidirectional, where the higher the cash conversion cycle, the more followed the higher the cash conversion cycle. increase in cash holdings.

Based on the Correlation Coefficient Interpretation table above, it can be concluded that the relationship between the cash conversion cycle and cash holdings is 1, which is categorized as a very strong positive relationship.

This is in line with Endah and Mia (2019) which states that in theory, the shorter the cash conversion cycle required, the better for the company because the company will get cash as

income in a faster time. Conversely, the longer the cash conversion cycle required, the company will increase its cash holding to maintain the company's funding needs.

The research according to Marfuah and Zulhilmi (2015) which states that the cash conversion cycle has an effect on cash holding. This indicates that if the company with a long cash conversion cycle will save large amounts of cash. Conversely, if the company's cash conversion cycle is shorter, the company's cash saved will also be less. In line with this research, Gede, et al (2017) also stated that the cash conversion cycle has an effect on cash holdings.

Correlation Analysis of Net Working Capital (X2) against Cash Holdings (Y)

The following are the results of data processing using Pearson Correlation analysis, the output obtained using IBM SPSS Statistics Version 25, as follows:

Correlation Results (X2) against (Y)

		Net Working Capital (X2)	Cash Holdings (Y)
Net Working Capital (X2)	Pearson Correlation	1	.421**
	Sig. (2-tailed)		.004
	N	45	45
Cash Holdings (Y)	Pearson Correlation	.421**	1
	Sig. (2-tailed)	.004	
	N	45	45

** . Correlation is significant at the 0.01 level (2-tailed).

** . Correlation is significant at the 0.01 level (2-tailed).

Based on the output table above, it can be seen that the correlation coefficient obtained between net working capital and cash holdings is 1. The correlation value is positive which indicates that the relationship between the independent variable and the dependent variable is unidirectional, where the higher the net working capital, the higher the net working capital will be followed. increase in cash holdings.

Based on the Correlation Coefficient Interpretation table above, it can be concluded that the relationship between net working capital and cash holdings is in the level of a very strong positive relationship.

The research of William and Fauzi (2013) states that net working capital has an effect on cash holdings. This means that net working capital is able to act as a substitute for cash holdings of a company, because of the nature of the ease in its liquidity, net working capital is sometimes needed to maintain the continuity of the company's activities without waiting for sales receipts, so that if the company has a large net working capital it will automatically reduce the balance. their cash.

This is in line with the research of Marfuah and Zulhilmi (2015) which also found that net working capital had an effect on cash holdings. This means that the high and low net working capital will affect the high cash holding company. Likewise with the research results of Azimah, et al (2014) which show that net working capital has an effect on cash holdings.

Correlation Analysis of Growth Opportunity (X3) to Cash Holdings (Y)

The following are the results of data processing using Pearson Correlation analysis, the output

obtained using IBM SPSS Statistics Version 25, as follows:

**Correlation Results (X₃) against (Y)
Correlations**

		Growth Opportunity (X ₃)	Cash Holdings (Y)
Growth Opportunity (X ₃)	Pearson Correlation	1	.251
	Sig. (2-tailed)		.097
	N	45	45
Cash Holdings (Y)	Pearson Correlation	.251	1
	Sig. (2-tailed)	.097	
	N	45	45

Based on the output table above, it can be seen that the correlation coefficient obtained between growth opportunity and cash holdings is 1. The correlation value is positive which indicates that the relationship between the independent variable and the dependent variable is unidirectional, where the higher the growth opportunity will be followed by the increase in cash holdings.

Based on the Correlation Coefficient Interpretation table above, it can be concluded that the relationship between growth opportunity and cash holdings is 1, which is categorized as a very strong positive relationship.

The availability of cash in the company is generally desired by the company to finance profitable investment projects in the future. The growth rate of each company varies depending on the capital structure of the company. The higher the growth opportunity level of the company, the greater the availability of cash needed by the company. (Gede, et al, 2017).

The research by Marfuah and Zulhildi (2015) states that growth opportunity has an effect on cash holdings. This shows that companies that have high growth opportunities will usually keep this opportunity from being missed, so as a precaution the company will usually create a large enough cash reserve until the opportunity can be executed and add value to the company.

This is also in line with the research of Mhd. Septa Andika (2017) finds that growth opportunity results have an effect on cash holdings. According to Gede, et al (2017), the greater the company's opportunity to invest in order to increase company growth, the company will tend to increase the number of cash holdings in the company.

Correlation Analysis of Institutional Ownership (X₄) to Cash Holdings (Y)

The following are the results of data processing using Pearson Correlation analysis, the output obtained using IBM SPSS Statistics Version 25, as follows:

Correlation Results (X₄) against (Y)

Correlations

		Institutional Ownership (X ₄)	Cash Holdings (Y)
Institutional Ownership (X ₄)	Pearson Correlation	1	-.308*
	Sig. (2-tailed)		.040
	N	45	45
Cash Holdings (Y)	Pearson Correlation	-.308*	1
	Sig. (2-tailed)	.040	
	N	45	45

*. Correlation is significant at the 0.05 level (2-tailed).

Based on the output table above, it can be seen that the correlation coefficient obtained between institutional ownership and cash holdings is 1. The correlation value is positive which indicates that the relationship between the independent variable and the dependent variable is

unidirectional, where the higher the institutional ownership will be followed by the increase in cash holdings.

Based on the Correlation Coefficient Interpretation table above, it can be concluded that the relationship between institutional ownership and cash holdings is 1, which is categorized as a very strong positive relationship.

The existence of share ownership by other institutions causes an increase in the effectiveness of controlling all decisions taken by the company's management, so that it will reduce the actions of company management that are concerned with personal interests when making decisions on the company's cash holding policy and management will not continuously holding cash that is too large, so that the company's cash holding level remains optimal (Hesti Anita, 2019).

The research by Mawardi and Nurhalis (2018) states that institutional ownership has an effect on cash holding. This shows that the increase in institutional ownership in the company makes the level of supervision better so that cash holding becomes more effective in its use so as not to make cash holding excessively idle in the company.

In line with the research of Masood and Shah (2014) that institutional ownership has a significant relationship to cash holdings. Likewise Al Najjar and Clark (2017), who prove that institutional ownership has a significant relationship to cash holdings.

Independent Board of Commissioners Correlation Analysis (X₅) to Cash Holdings (Y)

The following are the results of data processing using Pearson Correlation analysis, the output obtained using IBM SPSS Statistics Version 25, as follows:

Correlation Results (X₅) against (Y)
Correlations

		Independent Board of Commissioners (X ₅)	Cash Holdings (Y)
Independent Board of Commissioners (X ₅)	Pearson Correlation	1	-.058
	Sig. (2-tailed)		.705
	N	45	45
Cash Holdings (Y)	Pearson Correlation	-.058	1
	Sig. (2-tailed)	.705	
	N	45	45

Based on the output table above, it can be seen that the correlation coefficient obtained between the independent board of commissioners and cash holdings is 1. The correlation value is positive which indicates that the relationship between the independent variable and the dependent variable is unidirectional, where the higher the independent board of commissioners will be followed the more increase in cash holdings.

Based on the Correlation Coefficient Interpretation table above, it can be concluded that the relationship between the independent board of commissioners and cash holdings is 1, which is categorized as a very strong positive relationship.

With the existence of an independent board of commissioners within the company, supervision and control are not only carried out from internal parties but also external parties. External parties will be more objective than internal parties because external parties are not directly involved with the company's operations, so it will reduce fraud committed by management in decision making. With the existence of an independent board of commissioners in the company, they also supervise so that the company's cash holding level remains optimal, because managers tend to like internal

funding, causing the company to keep large amounts of cash continuously (Hesti Anita, 2019). The research by Mawardi and Nurhalis (2018) found that independent commissioners have an effect on cash holding. This shows that with the increase in independent commissioners within the company or more independent commissioners in a company, the longer the time needed to make a decision or agreement within a company, so that making a decision in cash holding management becomes difficult. effective and make the cash holding level will be idle to a greater extent.

In line with the research of Masood and Shah (2014) there is the influence of independent commissioners on cash holdings. Sheikh and Khan (2015), revealed that board independence has a significant relationship with cash holdings.

Simultaneous Correlation Analysis

To find out how the level of closeness of the relationship between the independent variable and the dependent variable, the following criteria are used:

**Correlation Analysis (X₁), (X₂), (X₃), (X₄), and (X₅) with (Y)
Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.607 ^a	.368	.287	8.75579	1.261

a. Predictors: (Constant), Cash Conversion Cycle (X₁), Net Working Capital (X₂), Growth Opportunity (X₃), Institutional Ownership (X₄), Independent Board of Commissioners (X₅)
b. Dependent Variable: Cash Holdings (Y)

Based on the output table above, it can be seen that the correlation coefficient obtained between cash conversion cycle, net working capital, growth opportunity, institutional ownership, and independent board of commissioners and cash holdings is 0.607. The correlation value is positive which indicates that the relationship between the independent variable and the dependent variable is unidirectional, where the higher the cash conversion cycle, net working capital, growth opportunity, institutional ownership, and independent board of commissioners, the higher the cash holdings will be.

Based on the Correlation Coefficient Interpretation table above, it can be concluded that the relationship between cash conversion cycle, net working capital, growth opportunity, institutional ownership, and independent board of commissioners with cash holdings is 0.607 which is categorized as Strong Positive.

Partial Hypothesis Testing (t Test)

Partial hypothesis testing (t test) to find out whether partially cash conversion cycle, net working capital, growth opportunity, institutional ownership, and independent board of commissioners have a significant effect or vice versa on cash holdings

**Regression Coefficient Test
Coefficients^a**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	29.064	9.870		2.945	.005
	Cash Conversion Cycle (X ₁)	.041	.019	.334	2.181	.035

Net Working Capital (X ₂)	1.139E-12	.000	.394	2.807	.008
Growth Opportunity (X ₃)	.213	.098	.326	2.162	.037
Institutional Ownership (X ₄)	-.256	.132	-.274	-1.945	.059
Independent Board of Commissioners (X ₅)	-.075	.271	-.041	-.278	.782

a. Dependent Variable: Cash Holdings (Y)

Based on these results, $t_{count} = 2.181 > t_{table} = 1.681$, and a significance (α) of $0.035 < 0.05$, according to the criteria, H_0 is rejected and H_a is accepted. Thus, it can be concluded that the Cash Conversion Cycle has a significant effect on Cash Holdings.

This is in line with the research of William and Syarief Fauzi (2013), Marfuah and Zuhlilmi (2015), Gede, et al (2017), Mhd. Septa Andika (2017), Endah and Mia (2019), Najema and Asma (2019) which stated that there was an influence of the Cash Conversion Cycle on Cash Holdings. Based on these results, $t_{count} = 2.807 > t_{table} = 1.681$, and a significance (α) of $0.008 < 0.05$, according to the criteria, H_0 is rejected and H_a is accepted. Thus, it can be concluded that Net Working Capital has a significant effect on Cash Holdings.

This is in line with the research of William and Fauzi (2013), Azimah, et al (2014), Marfuah and Zuhlilmi (2015), Gede, et al (2017), Suherman (2017), Endah and Mia (2019), Najema and Asma (2019), which states that there is an influence of Net Working Capital on Cash Holdings.

Based on these results, $t_{count} = 2.162 > t_{table} = 1.681$, and a significance (α) of $0.037 < 0.05$, according to the criteria, H_0 is rejected and H_a is accepted. Thus it can be concluded that Growth Opportunity has a significant effect on Cash Holdings.

This is in line with the research of William and Fauzi (2013), Azimah, et al (2014), Marfuah and Zuhlilmi (2015), Gede, et al (2017), Mhd. Septa (2017), Erdian and Kuswardono (2019), which state that there is an effect of Growth Opportunity on Cash Holdings.

Based on these results, $t_{count} = -1.945 < t_{table} = -1.681$, and a significance (α) of $0.059 > 0.05$, according to the criteria, H_0 is rejected and H_a is accepted. Thus, it can be concluded that institutional ownership has no significant effect on Cash Holdings.

This is in line with the research of Mawardi and Nurhalis (2018), Masood and Shah (2014), Al Najjar and Clark (2017) which state that there is an influence of Institutional Ownership on Cash Holdings

Based on these results, $t_{count} = -0.278 > t_{table} = -1.681$, and a significance (α) of $0.782 > 0.05$, according to the criteria, H_0 is accepted and H_a is rejected. Thus, it can be concluded that the Independent Board of Commissioners has no effect on Cash Holdings.

This is in line with the research of Sheryl and Yadnyana (2016), Yanti, et al (2019) which states that the Independent Board of Commissioners has no effect on Cash Holdings.

Simultaneous hypothesis testing (F test) to determine whether Cash Conversion Cycle, Net Working Capital, Growth Opportunity, Institutional Ownership, and Independent Board of Commissioners have an effect or not on Cash Holdings

Regression Coefficient Test ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1741.684	5	348.337	4.544	.002 ^b
	Residual	2989.891	39	76.664		
	Total	4731.575	44			

a. Dependent Variable: Cash Holdings (Y)

b. Predictors: (Constant), Cash Conversion Cycle (X₁), Net Working Capital (X₂), Growth Opportunity (X₃), Institutional Ownership (X₄), Independent Board of Commissioners (X₅)

Based on these results, $F_{count}=4.544 > F_{table}=2.46$, and a significance (α) of $0.002 < 0.05$, according to the criteria, H_0 is rejected and H_a is accepted. Thus it can be concluded that the Cash Conversion Cycle, Net Working Capital, Growth Opportunity, Institutional Ownership, and Independent Board of Commissioners have an effect on Cash Holdings.

Coefficient of Determination Analysis

The coefficient of determination is used to see the influence of the Independent variable on Cash Holdings.

Analysis of the Cash Conversion Cycle Determination Coefficient of Cash Holdings

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.101 ^a	.010	-.013	10.43617

a. Predictors: (Constant), Cash Conversion Cycle (X_1)

Table 4. Shows the R-Square value or the coefficient of determination of 0.010 or 1%. These results indicate that the Cash Conversion Cycle has an effect on Cash Holdings of only 1%, while the remaining 99% is influenced by other factors not examined in this study.

Analysis of the Coefficient of Determination of Net Working Capital on Cash Holdings

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.421 ^a	.177	.158	9.51426

a. Predictors: (Constant), Net Working Capital (X_2)

Table 4. Shows the R-Square value or the coefficient of determination of 0.177 or 17.7%. These results indicate that Net Working Capital has an effect on Cash Holdings only 17.7%, while the remaining 82.3% is influenced by other factors not examined in this study.

Analysis of the Coefficient of Determination of Growth Opportunity Against Cash Holdings

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.251 ^a	.063	.041	10.15455

a. Predictors: (Constant), Growth Opportunity (X_3)

Table 4. Shows the R-Square value or the coefficient of determination of 0.063 or 6.3%. These results indicate that Growth Opportunity has an effect on Cash Holdings only by 6.3%, while the remaining 93.7% is influenced by other factors not examined in this study.

Coefficient Analysis of Institutional Ownership Determination of Cash Holdings

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.308 ^a	.095	.074	9.98136

a. Predictors: (Constant), Institutional Ownership (X_4)

Table 4. Shows the R-Square value or the coefficient of determination of 0.095 or 9.5%. These results indicate that institutional ownership has an effect on Cash Holdings only 9.5%, while the remaining 90.5% is influenced by other factors not examined in this study.

Analysis of the Coefficient of Determination of the Independent Board of Commissioners on Cash Holdings

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.058 ^a	.003	-.020	10.47221

a. Predictors: (Constant), Independent Board of Commissioners (X₅)

Table 4. Shows the R-Square value or the coefficient of determination of 0.003 or 0.3%. These results indicate that the Independent Board of Commissioners has an effect on Cash Holdings of only 0.3%, while the remaining 99.7% is influenced by other factors not examined in this study.

Simultaneous Coefficient of Determination

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.607 ^a	.368	.287	8.75579

a. Predictors: (Constant), Independent Board of Commissioners (X₅), Net Working Capital (X₂), Institutional Ownership (X₄), Growth Opportunity (X₃), Cash Conversion Cycle (X₁)

b. Dependent Variable: Cash Holdings (Y)

Based on the table above, information is obtained that the R-Square is 0.368. This value shows simultaneously in giving a contribution or influence of R-Square (0.368) which is known as the coefficient of determination (KD) calculated from squaring the correlation coefficient:

$$KD = (0.607)^2 \times 100 = 38,8\%$$

These results show that simultaneously Cash Conversion Cycle, Net Working Capital, Growth Opportunity, Institutional Ownership, and the Independent Board of Commissioners contributed 36.8% influence on Cash Holdings in building construction companies listed on the Indonesia Stock Exchange for the period 2014-2018. While the rest of 100% - 36.8% = 63.2% is the influence of other variables not examined. Such as leverage, managerial ownership, board size, investment opportunity set, firm size, and capital expenditure.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Cash Conversion Cycle in the sample of building construction companies listed on the Indonesia Stock Exchange for the period 2014-2018 has the lowest value, which is owned by Acset Indonusa Tbk (ACST), which means the company has the shortest cash conversion cycle. This could be because the company is able to sell inventory in a short time. In addition, the company is able to collect receivables from customers or receive cash from customers before maturity. Meanwhile, the highest score is owned by Nusa Konstruksi Enjiniring Tbk. (DGIK) which means the company has the longest cash conversion cycle. This is because the company chooses to slow down inventory turnover and accounts receivable turnover, so the company takes a long time to sell inventory and collect receivables from customers.

Net Working Capital in the sample of building construction companies listed on the Indonesia Stock Exchange for the period 2014-2018 has the lowest value, which is owned by Nusa Konstruksi Enjiniring Tbk (DGIK). This is because the company experienced a fairly high decrease in current assets in 2016, although in 2017 it increased again but the amount of increase

was not comparable to the previous decline. Meanwhile, the total current debt of the company actually increased quite high from 2016 to 2017. Meanwhile, the highest value was owned by Wijaya Karya (Persero) Tbk (WIKA). This is because the company experienced a fairly high increase in current assets in 2018, although the company's current liabilities increased but the increase was only slightly.

Growth Opportunity in the sample of building construction companies listed on the Indonesia Stock Exchange for the period 2014-2018 has the lowest value, which is owned by Nusa Konstruksi Enjiniring Tbk (DGIK). This is because the company's profit in Q1 2016 fell by 90.42%. The decline in DGIK's performance was caused by the Company's Basic Income which experienced a large decline due to the sluggish construction in the first quarter of 2016. Meanwhile, the highest value was owned by Waskita Karya (Persero) Tbk (WSKT). This is because the company's profit in 2015 soared to 104.68%. The achievement of WSKT performance in 2015 was supported by an increase in the Company's Basic Income by 37.78%. In addition, WSKT's assets soared because the company in July 2015 carried out a Right Issue.

Institutional ownership in the sample of building construction companies listed on the Indonesia Stock Exchange for the period 2014-2018 has the lowest value, which is owned by Surya Semesta Internusa Tbk (SSIA). This is because share ownership by institutions has decreased from the number of shares owned by each institution. In addition, it is an institution that did not have shares back in 2017. Meanwhile, the highest value was owned by Waskita Karya (Persero) Tbk (WSKT). This is because Waskita Karya (Persero) Tbk (WSKT) in the 2014-2018 period has good performance prospects. This can be seen because Waskita Karya (Persero) Tbk (WSKT) has worked on various national strategic projects, both toll road infrastructure, light rail transit, and dams, most of which are carried out with turnkey funding schemes. That way, investors (institutions) believe in investing their capital in the company.

The Independent Board of Commissioners in the sample of building construction companies listed on the Indonesia Stock Exchange for the period 2014-2018 has the lowest value, which is owned by Surya Semesta Internusa Tbk (SSIA). This is because Surya Semesta Internusa Tbk (SSIA) only has 1 independent board of commissioners out of a total of 5 commissioners. That way, the condition of the company's management in terms of supervision becomes less, while the company needs an independent board of commissioners to get supervision from external parties who will be more objective in making decisions. Meanwhile, the highest score is owned by Nusa Konstruksi Enjiniring Tbk (DGIK). This is because Nusa Konstruksi Enjiniring Tbk (DGIK) has 2 independent commissioners from the total 4 commissioners. That way, the condition of the company's management in terms of supervision becomes better, so that supervision within the company can be carried out properly because there are external parties who are more objective in making decisions, namely the independent board of commissioners.

Cash Holdings in the sample of building construction companies listed on the Indonesia Stock Exchange for the period 2014-2018 has the lowest value, which is owned by Jaya Konstruksi Manggala Pratama Tbk (JKON). This is because Jaya Konstruksi Manggala Pratama Tbk (JKON) experienced a high decline in the company's cash and cash equivalents. In 2018 JKON experienced a decrease in profit of up to 10.8%, because JKON's operating income experienced a slight increase while the company's expenses continued to swell. Meanwhile, the highest score is owned by Wijaya Karya (Persero) Tbk (WIKA). This is because in 2016 Wijaya Karya (Persero) Tbk (WIKA) recorded a fairly good performance. WIKA experienced a profit

increase of up to 63.17%, the increase in profit exceeded the set target. It was also because sales increased by 15%, and the company benefited from the sale of land by the company's subsidiary.

Partially, the Cash Conversion Cycle has an effect on Cash Holdings with a contribution of 1%. These results support research conducted by William and Syarief Fauzi (2013), Marfuah and Zulhilmi (2015), Gede, et al (2017), Mhd. Septa Andika (2017), Endah and Mia (2019), Najema and Asma (2019) which states that) which states that the shorter the cash conversion cycle required, the better for the company because the company will get cash as income in a shorter time. fast. Conversely, the longer the cash conversion cycle required, the company will increase its cash holding to maintain the company's funding needs.

Partially, Net Working Capital has an effect on Cash Holdings with an influence contribution of 17.7%. These results support research conducted by William and Fauzi (2013), Azimah, et al (2014), Marfuah and Zulhilmi (2015), Gede, et al (2017), Suherman (2017), Endah and Mia (2019), Najema and Asma (2019), which states that the level of net working capital will affect the high cash holding of the company.

Partially, Growth Opportunity has an effect on Cash Holdings with an influence contribution of 6.3%. These results support research conducted by William and Fauzi (2013), Azimah, et al (2014), Marfuah and Zulhilmi (2015), Gede, et al (2017), Mhd. Septa (2017), Erdian and Kuswardono (2019), which state that the greater the company's opportunity to invest in order to increase company growth, the company will tend to increase the number of cash holdings in the company,

Partially, institutional ownership has an effect on Cash Holdings with an influence contribution of 9.5%. These results support research conducted by Mawardi and Nurhalis (2018), Masood and Shah (2014), Al Najjar and Clark (2017), which states that increasing institutional ownership in companies makes the level of supervision better so that cash holding becomes more effective. in its use so as not to make cash holding excessively idle in the company

Partially, the Independent Board of Commissioners has no effect on Cash Holdings. These results support research conducted by Sheryl and Yadnyana (2016), Yanti, et al (2019), which states that independent commissioners are not directly involved in the company's internal activities such as cash management policies and there is information asymmetry that results in ineffective supervision.

Simultaneously, Cash Conversion Cycle, Net Working Capital, Growth Opportunity, Institutional Ownership, and Independent Board of Commissioners have an effect on Cash Holdings with a 36.8% influence contribution to building construction companies listed on the Indonesia Stock Exchange for the period 2014-2018.

Recommendation

Based on the results of research and discussion on the effect of Cash Conversion Cycle, Net Working Capital, Growth Opportunity, Institutional Ownership, and Independent Board of Commissioners on Cash Holdings in building construction companies listed on the Indonesia Stock Exchange for the period 2014-2018, the authors provide suggestions that are expected to be useful for various parties as follows:

For Companies

To increase the value of the company, it must further improve the prospects for the company's financial performance. To optimize the cash conversion cycle, the company must implement a

good receivable collection system so that cash receipts from customers can be received before maturity. Companies must also implement a good inventory and sales system, so that inventory can be sold quickly and become cash back in a faster time. That way, debt payments can be made earlier or before maturity. If the company wants to have high investment opportunities, the company must also prepare sufficient funds just in case, funds in the form of net working capital or in the form of cash. So the company will not lose investment opportunities that will increase the value of the company. And to increase the trust of stakeholders and investors, the company must have good financial prospects so that investors are willing to invest in the company.

For Further Researchers

For further research, the researcher suggests that further research uses a different company and increases the research period so that the next research is expected to get better results. In addition, further research should add variables other than Cash Conversion Cycle, Net Working Capital, Growth Opportunity, Institutional Ownership, and Independent Board of Commissioners because Cash Holdings is not only influenced by these variables.

REFERENCES

Source from Books:

- Adrian Sutedi. 2011. Good Corporate Governance. Jakarta: Sinar Grafika.
- Agoes, Sukrisno, dan I Cenik Ardana. 2011. Etika Bisnis dan Profesi. Jakarta: Salemba Empat.
- _____. 2013. Etika Bisnis dan Profesi: Tantangan Membangun Manusia Seutuhnya. Edisi Revisi. Jakarta: Salemba Empat.
- _____. 2014. Etika Bisnis dan Profesi. Edisi Revisi. Jakarta: Salemba Empat.
- Agus Hartijo dan Martono. 2010. Manajemen Keuangan. Edisi Pertama. Cetakan Kedelapan. Yogyakarta: Ekonisia.
- Agus Sartono. 2012. Manajemen Keuangan Teori dan Aplikasi. Edisi Keempat. Jakarta: BPFE.
- Amin Widjaja Tunggal. 2013. Internal Audit Dan Corporate Governance. Jakarta: Harvarindo.
- Bambang Riyanto. 2011. Dasar-Dasar Pembelanjaan Perusahaan. Edisi keempat. Yogyakarta: BPFE.
- Djarwanto. 2011. Pokok-Pokok Analisis Laporan Keuangan. Edisi Kedua. BPFE. Yogyakarta.
- Dwi Martani. 2012. Akuntansi Keuangan Menengah Berbasis PSAK. Jakarta: Salemba Empat.
- Effendi Muh. Arief. 2016. The Power of Good Corporate Governance. Edisi 2. Jakarta: Salemba Empat.
- Farah Margaretha. 2014. Dasar-Dasar Manajemen Keuangan. Jakarta: PT. Dian Rakyat.
- Ghozali, Imam. 2011. Aplikasi Analisis Multivariate Dengan Program SPSS. Semarang: Badan Penerbit Universitas Diponegoro.
- _____. 2013. Aplikasi Analisis Multivariate dengan Program IBM SPSS. Edisi 7. Semarang: Penerbit Universitas Diponegoro.
- Gujarati, D.N. 2012. Dasar-Dasar Ekonometrika. Buku 2. Edisi 2. Edisi 5. Jakarta: Salemba Empat.
- Hamdani. 2016. Good Corporate Governance: Tujuan Etika dalam Praktik Bisnis. Jakarta: Mitra Wacana Media.
- Harmono. 2011. Manajemen Keuangan Berbasis Balance Scorecard Pendekatan Teori, Kasus, dan Riset Bisnis. Jakarta: Bumi Aksara.

- Horne, Van J. C., dan Wachowichz J. M. 2013. Prinsip-Prinsip Manajemen Keuangan. Jakarta: Salemba Empat.
- Kasmir. 2010. Pengantar Manajemen Keuangan. Jakarta: Prenadamedia Group.
- _____. 2016. Analisis Laporan Keuangan. Jakarta: Raja Grafindo Persada.
- Keown, Arthur J., John D. Martin., dan J. Willian Petty. 2014. Foundations of Finance The Logic and Practice of Financial Management. Eighth Edition. England: Pearson Education Limited.
- Kieso, Donald E., Jerry J. Weygandt., dan Terry Warfield. 2008. Akuntansi Intermediate. Edisi Keduabelas. Jilid 1. Jakarta: Erlangga.
- Komite Nasional Kebijakan Governance (KNKG). 2013. Pedoman Umum GCG di Indonesia. www.knkg-indonesia.com.
- Riyanto. 2011. Pengantar Akuntansi Konsep dan Teknik Penyusunan Laporan Keuangan. Jakarta: Salemba Empat.
- Rizal Effendi. 2013. Accounting Principles: Prinsip-Prinsip Akuntansi Berbasis SAK ETAP. Edisi Revisi. Jakarta: PT Rajagrafindo.
- S. Munawir. 2010. Analisis Laporan Keuangan Edisi Keempat. Cetakan Kelima Belas. Yogyakarta: Liberty.
- Santoso, Singgih. 2014. Statistik Multivarian. Edisi Revisi. Jakarta: PT Elex Media.
- Sugiyono. 2016. Metode Penelitian Kuantitatif, Kualitatif dan Kombinasi (Mix Methods). Bandung: Alfabeta.
- _____. 2017. Statistika Untuk Penelitian. Bandung: Alfabeta.
- _____. 2018. Metode Penelitian Kuantitatif, Kualitatif, dan R&D. Bandung: Alfabeta.
- Sutojo, Siswanto. 2008. Good Corporate Governance. Jakarta: Damar Mulia Pustaka.
- Syamsuddin, Lukman. 2011. Manajemen Keuangan Perusahaan: Konsep Aplikasi dalam Perencanaan, Pengawasan dan Pengambilan Keputusan. Jakarta: Rajawali Pers.
- Tandelilin, Eduardus. 2010. Portofolio dan Investasi Teori dan Aplikasi. Edisi Pertama. Yogyakarta : Kanisius.
- Thomas Sumarsan. 2013. Akuntansi Dasar dan Aplikasi dalam Bisnis. Jakarta: PT Indeks.

Rules:

Keputusan Menteri Badan Usaha Milik Negara Nomor : PER-01/MBU/2011 Tentang Penerapan Tata Kelola Perusahaan yang Baik (Good Corporate Governance) pada Badan Usaha Milik Negara.

Source from Journal:

- Al-Najjar, B., dan Clark, E. 2017. Corporate Governance and Cash Holdings in MENA: Evidence from Internal and External Governance Practices. *Research in International Business and Finance*, 39, 1-12.
- Andri Rianawati dan Rahmat Setiawan. 2015. Leverage, Growth Opportunity, dan Investasi Pada Perusahaan Non Keuangan Yang Terdaftar di BEI. *Jurnal Manajemen Teori dan Terapan*. Tahun 8. No. 1, April 2015.
- Arieskawati. 2017. Pengaruh Mekanisme Corporate Governance Terhadap Kebijakan Cash Holdings. *Artikel Ilmiah. Sekolah Tinggi Ilmu Ekonomi Perbanas*. Surabaya.
- Azimah Dianah, Hasan Basri, dan Muhammaf Arfan. 2014. Pengaruh Peluah Pertumbuhan, Modal Kerja Bersih, dan Financial Leverage Terhadap Cash Holding Pada Perusahaan

- Manufaktur di Bursa Efek Indonesia. *Jurnal Akuntansi Pascasarjana Universitas Syiah Kuala*. Volume 2, No. 2, Mei 2014.
- Beny Benardi dan Minarnita Y. Verawati Bakara. 2012. Mengukur Cash Conversion Cycle Perusahaan Terbuka Operator Telekomunikasi Seluler Di Indonesia Dalam Keterkaitannya Dengan Kinerja Pengelolaan Modal Kerja. *Jurnal Telekomunikasi dan Komputer*. Vol.3, no. 1. Universitas Mencu Buana.
- Cica Ulfah. 2019. Pengaruh Kesempatan Bertumbuh dan Siklus Hidup Perusahaan Terhadap Manajemen Laba. *Fakultas Ekonomi dan Bisnis. Universitas Pasundan. Bandung*.
- Cicilia C Liadi dan I Ketut Suryanawa. 2018. Pengaruh Ukuran Perusahaan, Net working capital, Cash Flow, dan Cash Conversion Cycle Pada Cash Holding. *E-Jurnal Akuntansi Universitas Udayana*. Vol. 24. 2 Agustus (2018): 1474-1502.
- Daher, M. 2010. *The Determinants of Cash Holding in UK Public and Private Firms*. Lancaster University Management School, Departement of Accounting and Finance.
- Endah A Wulandari dan Mia A Setiawan. 2019. Pengaruh Growth Opportunity, Net Working Capital, Cash Conversion Cycle Dan Dividend Payout Terhadap Cash Holding. *Jurnal Eksplorasi Akuntansi*. Vol. 1, No. 3, Seri D, Agustus 2019, Hal 1259-1274.
- Erdian Saputri dan Anon Kuswardono. 2019. Pengaruh Profitabilitas, Leverage, Firm Size, dan Growth Opportunity Terhadap Cash Holding Perusahaan (Studi Kasus Perusahaan Manufaktur yang terdaftar pada Bursa Efek Indonesia Periode Tahun 2013-2017). *Journal of Entrepreneurship, Management, and Industry (JEMI)*. Vol. 2, No. 2, (2019), pp. 91-104.
- Gill, Amajit, dan Shah Charul. 2012. Determinant of Corporate Cash Holdings : Evidence from Canada. *International Journal of Economics and Finance*, Vol. 4 (1), January 2012. College of Business Administration, Trident University International.
- Hesty Anita D. R. 2019. Pengaruh Corporate Governance dan Growth Opportunity Terhadap Cash Holding. *Artikel Ilmiah. Sekolah Tinggi Ilmu Ekonomi Perbanas. Surabaya*.
- Kania Luvita S. 2019. Analisis Pengaruh Investment Opportunity Set, Cash Conversion Cycle, Dan Corporate Governance Structure Terhadap Cash Holdings. *Skripsi. Fakultas Ekonomi dan Bisnis. Universitas Pasundan. Bandung*.
- Marfuah dan Ardan Zulhilmi. 2014. Pengaruh Growth Opportunity, Net Working Capital, Cash Conversion Cycle Dan Leverage Terhadap Cash Holding Perusahaan. *Universitas Islam Indonesia*.
- Masood, A. dan Shah, A. 2014. Corporate Governance and Cash Holding in Listed Non-Financial Firms in Pakistan. *Business Review*, 9(2), 47-73.
- Mawardi dan Nurhalis. 2018. Pengaruh Corporate Governance Terhadap Cash Holding Pada Perusahaan Manufaktur di Bursa Efek Indonesia. *Jurnal Manajemen dan Inovasi*. Vol. 9 (1) (2018) : 75-90.
- Mhd. Septa Andika. 2017. Analisis Pengaruh Cash Conversion Cycle, Leverage, Net Working Capital, Dan Growth Opportunity Terhadap Cash Holdings Perusahaan. *JOM Fekon*. Vol. 4 No. 1 (April).
- Najema dan Rusdayanti Asma. 2019. Analisis Pengaruh Current Asset, Capital Expenditure, Cash Conversion Cycle, Cash Flow, Leverage, Market To Book Value dan Net Working Capital Terhadap Cash Holdings Pada Sektor Industri Barang Konsumsi di BEI. *Jurnal Sains Manajemen dan Kewirausahaan*. Vol. 3, No. 1, Maret 2019.
- Nuraina, Elva. 2012. Pengaruh kepemilikan institusional dan ukuran perusahaan terhadap

kebijakan hutang. *Jurnal Bisnis dan Ekonomi (JBE)*. Vol. 19, September 2012, Hal. 110-125, No. 2 ISSN: 1412-3126.

Ogundipe, L. O., Ogundipe, S. E., dan Ajao, S. K. 2012. Cash Holding and Firm Characteristics: Evidence From Nigerian Emerging Market. *Journal Business, Economics & Finance*, 1(2), 45-58.

Puput Safitri. 2016. Pengaruh Net Working Capital, Board Size, Growth Opportunity Dan Cash Conversion Cycle Terhadap Cash Holdings. Fakultas Ekonomi. Universitas Maritim Raja Ali Haji. Tanjung Pinang.

Sheikh, N. A., dan Khan, M.I. 2015. The Impact of Board Attributes and Insider Ownership on Corporate Cash Holdings: Evidence from Pakistan. *Pakistan Journal Commerce and Social Sciences*, 9(1), 52-68.

Sheryl Y Senjaya dan I Ketut Yadnyana. 2016. Analisis Pengaruh Investment Opportunity Set, Cash Conversion Cycle Dan Corporate Governance Structure Terhadap Cash Holdings. *E-Jurnal Ekonomi dan Bisnis Universitas Udayana*. Vol 5, No. 8 : 2549-2578.

Suherman. 2017. Faktor-Faktor Yang Mempengaruhi Cash Holding Perusahaan Di Bursa Efek Indonesia. *Jurnal Manajemen*. Volume XXI, No. 03, Oktober 2017 : 336-349.

Wahyu E Putrato. 2017. Analisis Determinan Tingkat Cash Holding Perusahaan. Skripsi. Fakultas Ekonomi. Universitas Negeri Yogyakarta.

Wahyu, Widarjo. 2010. Pengaruh Ownership Retention, Investasi dari Proceeds, dan Reputasi Auditor terhadap Niai Perusahaan dengan Kepemilikan Manajerial dan Institusional sebagai Variabel Pemoderasi. *Simposium Nasional Akuntansi XIII*.

William dan Syarief Fauzi. 2013. Analisis Pengaruh Growth Opportunity, Net Working Capital, Dan Cash Conversion Cycle Terhadap Cash Holdings Perusahaan Sektor Pertambangan. *Jurnal Ekonomi dan Keuangan*, Vol. 1. No. 2.

Yanti, Liana Susanto, Wirianata, dan Viriany. 2019. Corporate Governance, Capital Expenditure Dan Cash Holdings. *Jurnal Ekonomi*. Volume XXIV, No. 01 March 2019: 1-14.

Yessica T Christina dan Erni Ekawati. 2014. Excess Cash Holdings dan Kepemilikan Institusional Pada Perusahaan Manufaktur Yang Terdaftar di BEI. *Jurnal Manajemen Strategi Bisnis dan Kewirausahaan*. Vol. 8, No. 1, Februari 2014.

Source from Website:

<https://economy.okezone.com>

<https://economy.okezone.com>

<https://insight.kontan.co.id>

<https://katadata.co.id>

<https://kemenperin.go.id>

<https://www.cnbcindonesia.com>.

<https://www.tempo.co>

www.idnfinancials.com

www.idx.co.id

www.sahamok.com